

Subject 301

Nontaxable Income

Income that is not taxable by the State of Arkansas includes:

1. Child support payments,
2. Welfare benefits,
3. Life insurance proceeds that are received in a lump sum because of the death of an individual,
4. Tax exempt interest,
5. Accident and health insurance proceeds,
6. Gifts and inheritances,
7. Cash rebate on the purchase of cars and other items,
8. Social Security and Railroad Retirements benefits,
9. Scholarships, grants and fellowships, and
10. Unemployment Compensation.

Keep records of your non-taxable income, and report the type and amount on Line 56 of AR1000 or AR1000NR.